



Enterprise Resource Planning (ERP)

Education Seminar

Presented By:

***Defense Contract Management
Agency Integrated Product Team***

September 13, 2000



Executive Overview

Enterprise Resource Planning

Presented By:

Robert Schmitt
Executive Director
Contract Management
Operations

Date

12 September, 2000

- **Why are we here?**
- **August 1998** - Joint study group recommended to examine ERP and identify common questions/concerns as a result of DCMC/DCAA/Industry Crosstalk meeting
- **June 1999** - Report issued

No statutory or regulatory impediments

ERP systems key to interoperability &

Why A “Seminar”

- Convey education through a forum that promotes discussion and knowledge sharing on the role of DCMA with Supplier ERP implementation
- Apply a knowledge Management focus to improving process management within DCMA, and the Aerospace Defense industry
- Ensure that ERP guidance aligns and supports DCMA Services Sets, and One Book functional process policies
- Provide guidance on managing risk to our core mission of providing high valued Contract Administration Services to our Customers

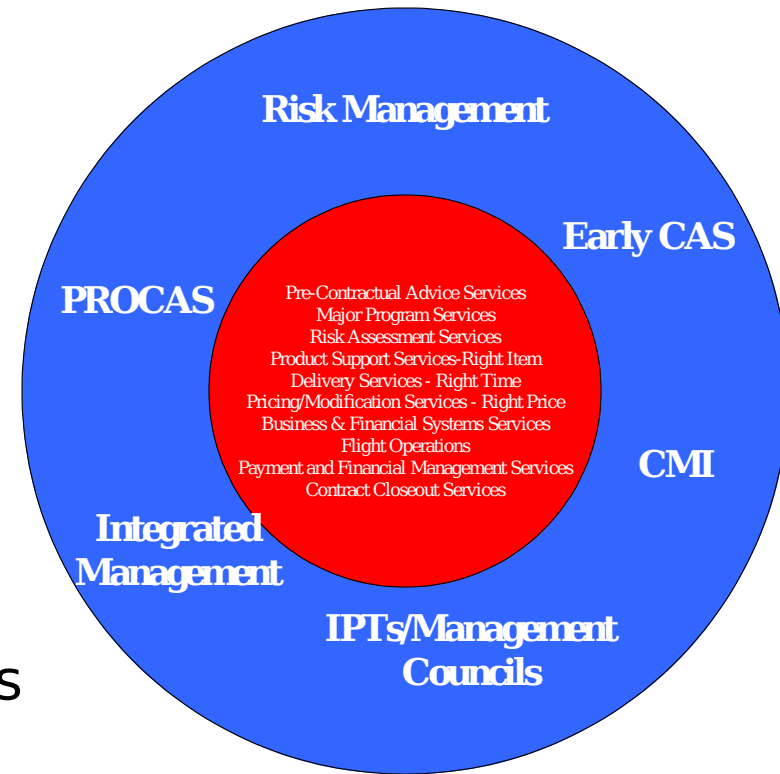
Why is DCMA/DCAA involved in supplier ERP systems?

- Because suppliers are changing the way they do business!
- Industry is leveraging technology to integrate their processes, improving the flow of data and information. DCMA must understand the changes taking place within supplier facilities, and see them as an opportunity for improving the effectiveness and efficiency use of our own resources
- Our ability to effectively assess supplier process risk depends on our knowledge and

- Performance Focus - Focus Agency resources and efforts by the impact on process performance and increased value to our customers
- Process Centric - Process to be central to all policy, training and performance efforts

Operating Principles - the common critical ingredients in all processes

- Process Improvement - Improvement of the Agency processes is the most effective way to maintain our value to the DCMA customer and effectively impact the acquisition process



*Approach is to apply knowledge
Management*

- *Facilitate communication with your peers*
- *Leverage ERP knowledge from each other*
- *Strengthen relationship between Supplier and DCMA*
- *To communicate ERP issue resolution techniques*

And the best part...

- The Experts are here, in the audience, to

ERP Project Operating Principles

- The ERP Seminar, in conjunction with the guidebook, are designed to improve the quality of DCMA organizational ERP risk assessment skills

Purpose is to provide field guidance and education on ERP

Obtain feedback and publish lessons learned

Move to encourage strategic supplier agreements for ERP

Continue to work with industry

- Leverage ERP enabled processes to implement other related DOD initiatives (i.e. Integrated Digital Environment)

Summary

- Although early indicators show no government policy, or regulatory impediments exist, we must still manage the inherent risk associated with change
- ERP is a great opportunity for teaming, Industry and Government both share in benefits of reduced cycle time and operating cost that result from efficient and effective supply chain management



Introduction to Strategic Supplier Alliance

September 13, 2000

Barbara Foss Fischer

Supplier Operations

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What is it?

- **A long term relationship, with flexibility for changing business conditions and objectives**
- **An on-going relationship involving a commitment over an extended time period, and a mutual sharing of information; it may include the sharing of risks and rewards of the relationship**

Introducing the concept of an alliance with suppliers to impact business relationships beyond transactional contracts

We looked at what industry is doing and assessed applicability and benefits

What Does it Look Like?

- **An alliance is a non-binding agreement, outside of a contract, but with long-term “intent”**
- **A *Strategic Supplier Alliance* should build on the cooperative relationship between Government and suppliers**
 - Focusing on common long term strategic goals***
 - Promoting open communication***

Expected Benefits of Alliances

- **Opportunities for Innovation**

 - Remove traditional boundaries*

 - Replace with more efficient processes*

- **Workload & Workforce Stability**

 - Better utilization of resources*

 - Better trained and more knowledgeable about*

 - Industry operations and methods*

Partnering to achieve specific objectives at a particular program or site:

Joint Process Improvement Targets

Management Council Objectives

Now, broadening the scope to achieve strategic objectives...

Example - Strategic Objectives

Contractor

DCMA

Buying Activity

**Improve
Profit Margin**

**Increase
Market Share**

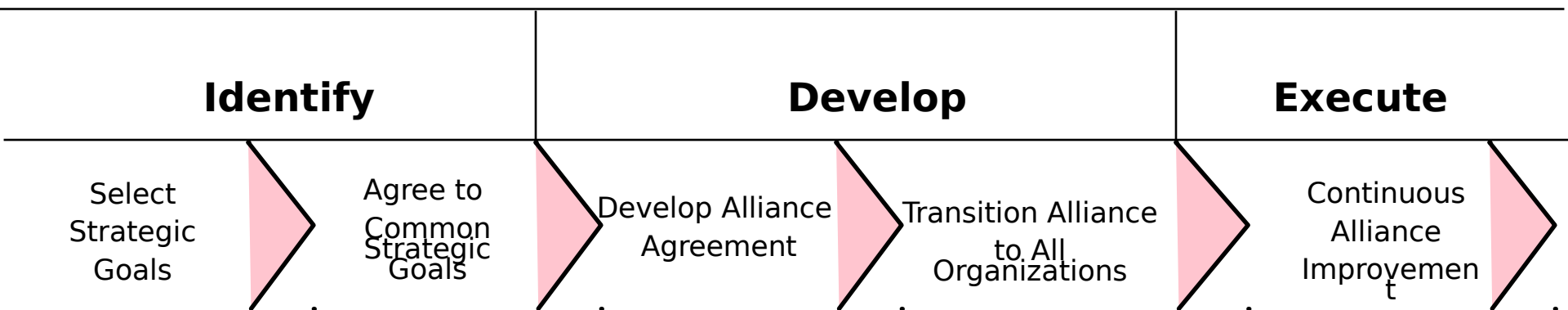
**Improve
Response Time to
Customer's
Needs**

**Improve
Contract Admin
Efficiency
Accelerate
Acquisition
Reform/Commercial
Practices
Improve
Support to
Warfighter**

**Obtain Best
Value
Foster/Ensure
Competition
Strengthen
Industrial
Base**

➤ ***We're all interested in the same results...
reduced costs, best
value for our customers, decreased response
times, etc.***

Strategic Supplier Alliance Process



Use existing Management Council infrastructure to deploy

Strategic Supplier Alliance

Current Alliances:

Honeywell:

Focus on Quality Assurance

Goodyear Tire:

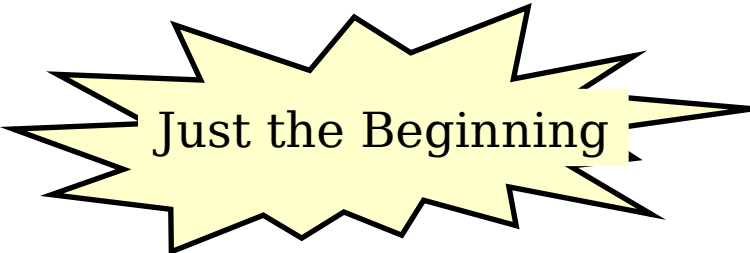
Focus on Commercial Practices for Delivery and Payment

Rockwell-Collins:

Focus on Commercial Initiatives

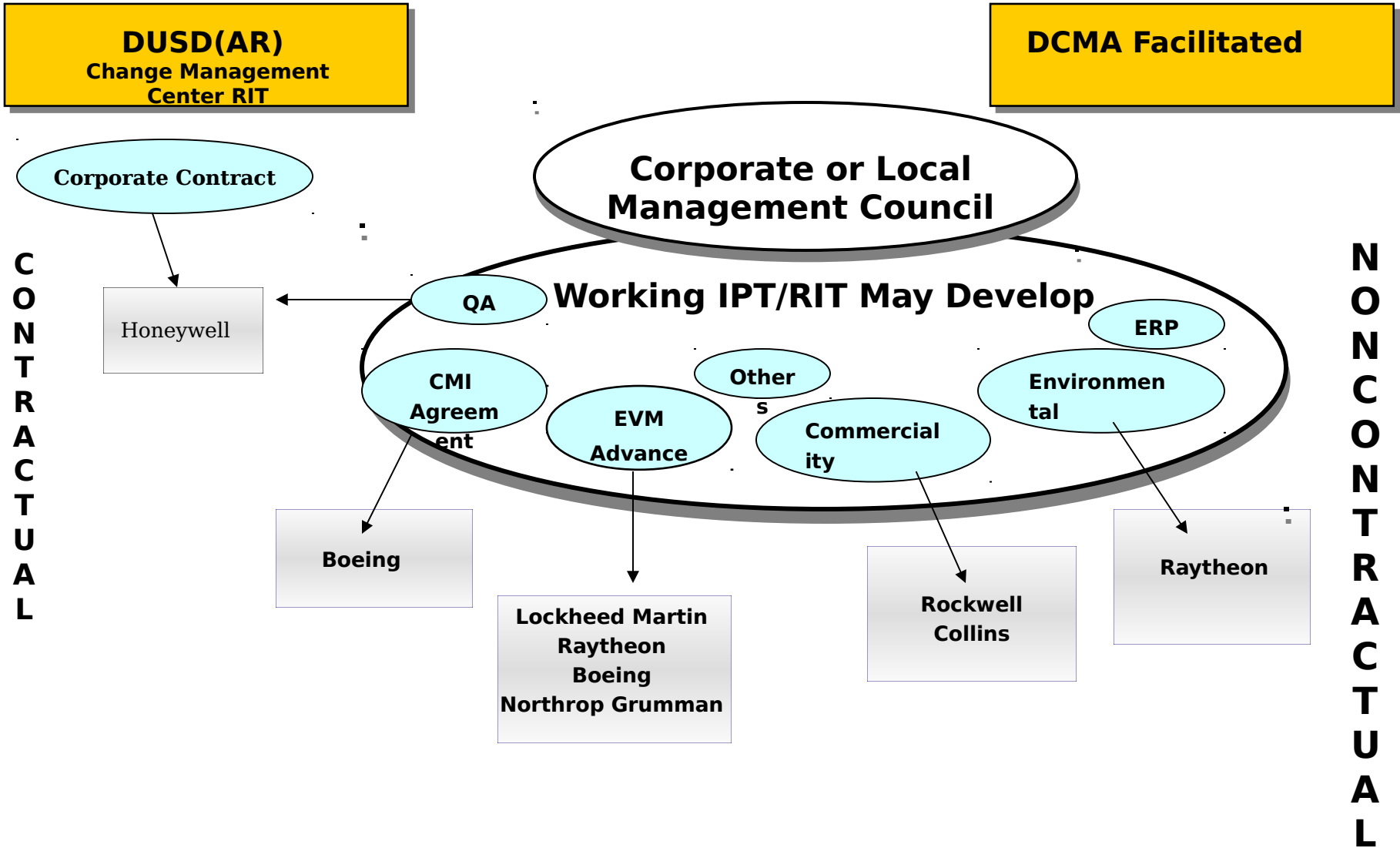
Raytheon Company:

Focus on Contractor Logistics Support & Environmental Pla



Just the Beginning

There are Many Possibilities!



Keys To Success

Mutually beneficial-shared risks and rewards

Management support

End user buy in and acceptance

Common goals

Time needed to develop alliances

Limit number of measures

Flexibility of Buyer & suppliers

Possible Focus of ERP Alliance

- **Goal may be to “lean- out” the oversight process- Change the paradigm of how do business**
- **Inputs**
 - Review data needs*
 - Determine access requirements & controls*
 - System wide approach vs individual sites*
 - Pursue needed changes to regulations & policies*
- **Possible Outputs**
 - New criteria for engagement*

- **Documents how the Government & Industry plan to come together to mitigate deployment risk**
- **Possible content:**

Roles

Compliance issues

Testing requirements

Access considerations

Training needs of DCMA/DCAA personnel

Systems review requirements

- **New tool to achieve common strategic objectives**
- **Help better utilize DoD resources**
- **Implement through Management Councils**



ERP/EVMS Guidance

Presented By:

Mike Lowry, DCMA HQ

Date:

September 13, 2000

Guidance

Teaming

Role of the Management
Council

Lessons Learned

Communications

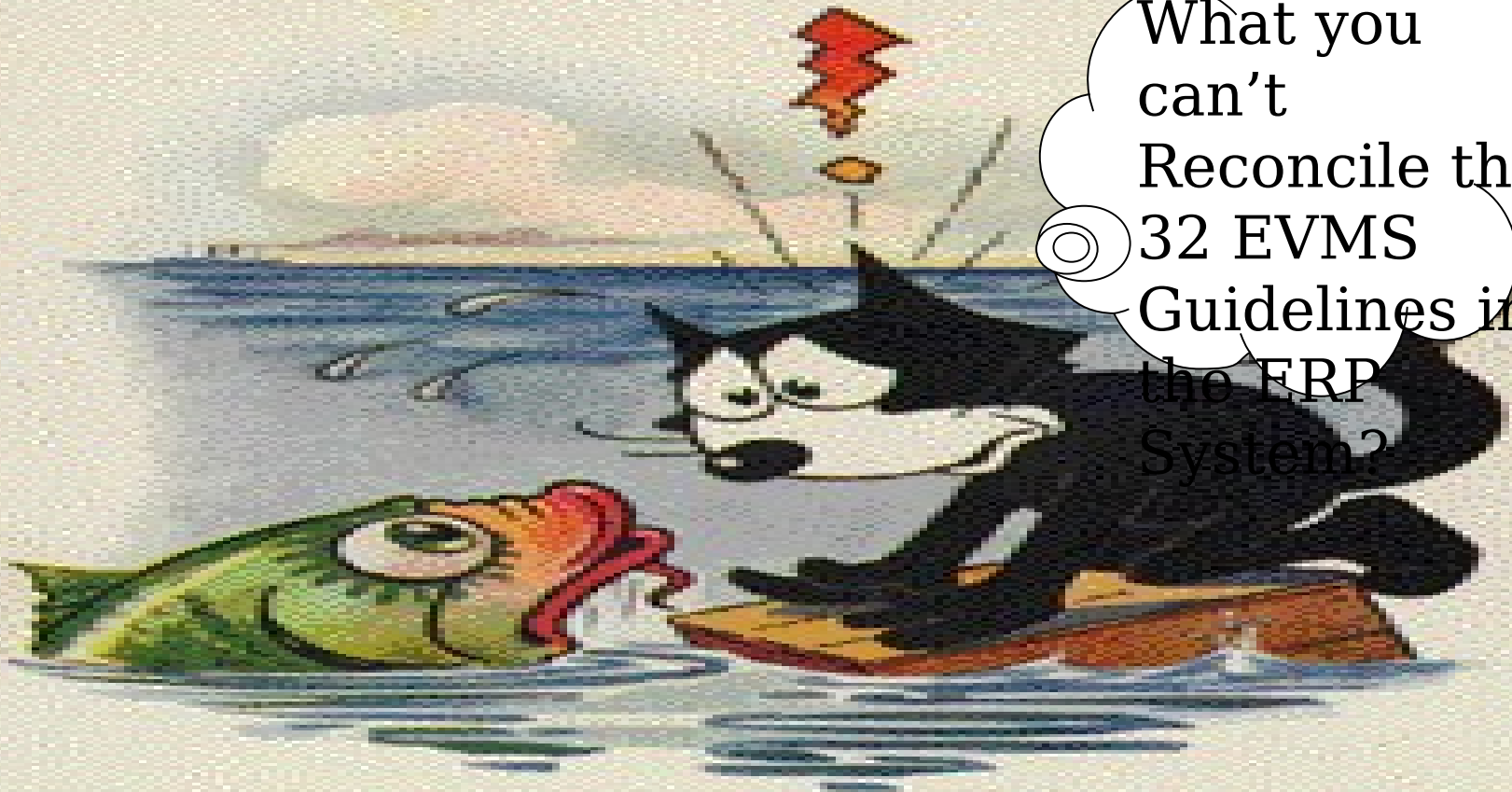
Role of EVMS Monitor

Change Management

Access to Data

"I'm not Jonah - I'm Felix!"

What you
can't
Reconcile the
32 EVMS
Guidelines in
the ERP
System?



- **Engage Customers and Stakeholders early in the process**
- **Review proposed process changes**
- **Ensure validity and accuracy of data**
- **Review planned changes to supplier's financial disclosure statement**
- **Use teaming approach and participate in:
ERP planning and strategy sessions
Meetings with DCAA and suppliers**

Teaming for ERP/EVMS Transition

Review the ERP/EVMS CONOPS

Integrated Teaming ERP/EVM Reporting

Define Expectations

Agreement on requirements

Plan for closure of gaps



**Use an
Integrated Risk
Management
Approach**

Teaming ERP/EVM Road Map

Plan: ensure that everyone on the Team (DCMA, DCAA, Supplier, and Customers) understands the ERP program Plan for EVMS.

Do: Measure progress based upon selected planned and scheduled key integration processes. Focus on monthly key critical path and high risk areas.

Check: Validate the data transactions between the legacy system and the new system. Are all data elements accounted for. Trace all levels of the WBS and PMB. Did the planned and scheduled work change. What value should have been earned, how much was actually accomplished.

Act: measure integrated outputs, question the results with the supplier, then provide the customer with a cost, schedule and technical progress report. Keep the customer informed on cost impacts to there program resulting from ERP changes.

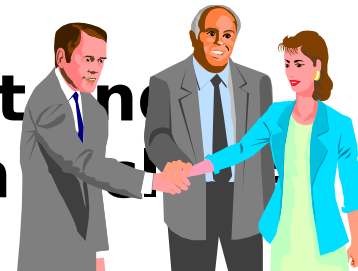
ERP Memorandum of Agreement

The role of the Management Council is Focused on agreement on a Team approach to ERP/EVM transition

Use the Management Council process as a means to dialog on system access to the integrated management system data

➤ Incorporate Specific EVM reporting requirements and include a backup contingency plan

▮ Defined rules of engagement and government IPT Participation customers



Management Council

(cont)

FORWARD LOOKING PLANNING:

➤ PREDICTIVE

- ▮ 30, 60, 90 day look ahead**

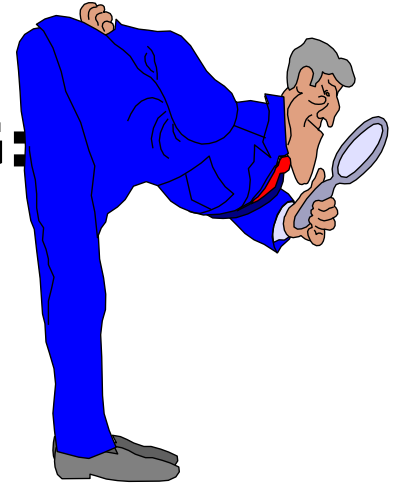
- ▮ Establish Milestones**

▮ IDENTIFY System and Program RISK

- ▮ Jointly review Gap analysis results**

- ▮ Know how risk are identified in the baseline**

- ▮ Develop an integrated surveillance plan**



- ERP implementation does not necessarily negate the suppliers validated EVM System
- The burden of proof in verifying that the system meets the requirements of the guidelines is on the supplier.
- The supplier should identify and provide a cross-reference or matrix as to where the system requirements are satisfied in the new system

Data replication issues may exist if moving from multiple sites with non compatible legacy systems to a single EVMS database structure
(Assess Alignment of WBS, & Control Account Data)

Ensure that we're looking at apples to apples and not apples to oranges

Test the system:

ERP system's don't like changes, but will if integrated and used correctly, show the total impact to each program integrated master plan and schedule as a result of changes at any level of the WBS & PMB

Changing Customer Support Requirements

- **Programs shifting to a collaborative digital-based program Management environment**

Link all stakeholders in the weapon system life cycle

On-line IPT

- **Cross-functional access to data**

Financial, Technical, Program, Contract

Near real time

Application standards not standard applications

- **Timely and integrated decision making**

The right people... with the right data... at

□ System Surveillance

Answers the question< “Does the contractor have a system that is used to manage”?



**EVMS
INSIGHT**

□ Program Surveillance

Answers the question, Does the contractor have adequate planning and control of resources”?



**Team
PARTICIPATIO
N**

Role of EVMS Monitor

DCMA EVMS Monitor's Role with Supplier ERP/EVM system changes should not be affected, but there is a need to reevaluate and update the joint surveillance plan

- Changes will be evaluated as to compliance with the guidelines, impact on the integrity of the Integrated management control system and their effect on contractual provisions, and assess the cost impact of implementation on programs
- Provide customers with insight into effects on their program regarding cost, schedule and technical performance

Change Control

Earned Value Management System and Enterprise Resource Planning

What's changing in the EVMS?

It depends on how you define the enterprise, and the system integration plan.

Processes affected by legacy systems replacement and their relationship to the EVMS and current programs

All Changes will have some effect on each program. DCMA/DCAA must understand the result of the Gap Analysis and track closer plans

Change Control (cont)

Reengineering of processes should result in changes to process task and labor content. As a result there could be an effect on program control accounts, work packages and ultimately the PMB

Beware of direct and indirect cost changes as a result of internal replanning efforts

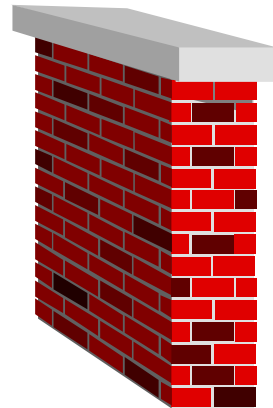
Review and assess disclosure changes and their impact on individual programs

- As the supplier transitions to the ERP system, they may run both the legacy system and the ERP system simultaneously to mitigate risk.
- Review the gap analysis results as a tool to validate open cost accounts and ensure that data has been accurately transferred from the legacy system database into the ERP system down to the lowest level.

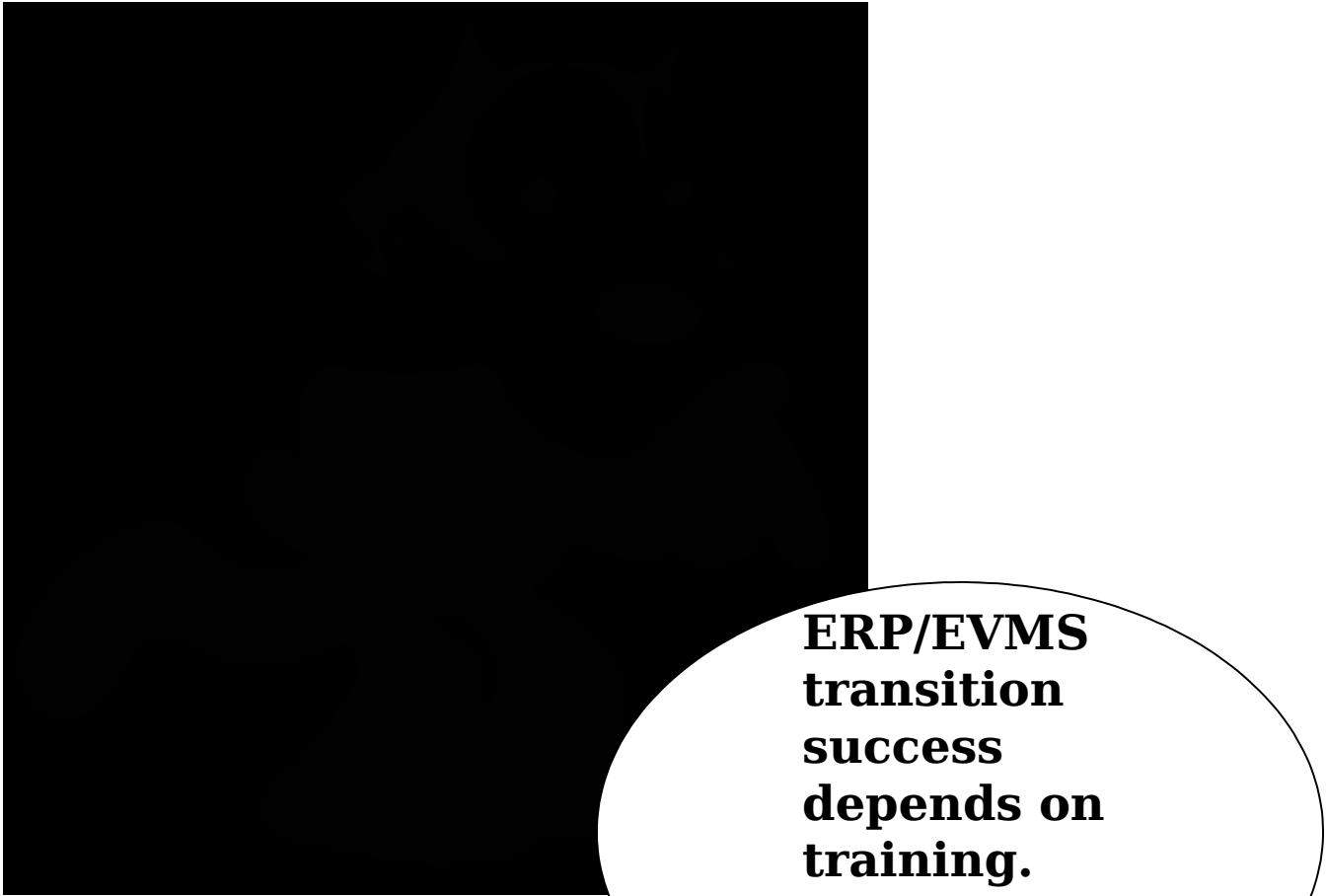
Communication

Participate on contractor IPT's where significant program cost and schedule risk exist to meeting critical program events. Don't build walls, communication is key to ERP success

**DCMA EVM
Program Data
Access**



**Contractor System
Application of
EVM**



**ERP/EVMS
transition
success
depends on
training.
DCMA/DCAA
must take an
active role in
the suppliers
training**



Enterprise Resource Planning (ERP) Guidebook

Presented By:

Brian Dillon

DCMDE

September 13, 2000

DCMA ERP Website:

http://www.dcmc.hq.dla.mil/Dcmc_o/oc/risk/erp/index.htm

- **Approach**
- **General Systems**
- **Functional Systems**

- **Approach**

Early involvement

Management Council

Risk

- **General Systems**

System Requirements

Conversion and Validation

System Testing

- **Earned Value Management**

**Implementation of ERP
doesn't negate EVMS
system validation**

Change management

- **Contracts**

**Impact on current
approved systems**

Contract closeout

- **Engineering**

Bill of materials, unit of measure, parts control

Availability of cost data to design activity (CAIV, TOC, DTC, trade studies)

- **Supplier Quality Assurance**

Material Review Board

Corrective Action

Approved Quality System

DD 250

- **Accounting**

Coordination with DCAA

**Disclosure/accounting
changes**

- **Contractor Purchasing System**

Potential Impact

Possible areas affected

- **Schedule and Delivery Management**

MMAS

Accuracy of Data

System Visibility



ERP Implementation

McDonnell Douglas

Presented By:

Chuck Neumann
Operations Team Leader
September 13, 2000

ERP Implementation at McDonnell Douglas

- **Company size and complexity -
How to manage Operations
(ERP), Financial (EIS) and
Product Data (PDM)**
- **Executive Steering Group -
Chaired by corporate controller**
- **Integrated Resource
Management - Responsible for
managing the project**

- **1995-97 Timeframe**
- **Scope of effort was much larger than anything previously attempted**
- **Software provider was small and relatively inexperienced**

- **Cost Proposed to CACO allowed high-level focus and good communications**
- **ERP Focal Point - Organized functional elements and drove process approach**
- **Government Team - All specialists in Information Technology**

- **New systems from accounting to the shop floor**
- **Common data for each system**
- **Process changes**
- **Improved corporate management**

- **Government Challenge #1 -
Understanding the new approach
- what does this mean for the
way we do business?**
- **Government Challenge #2 -
Monitoring a corporate-wide,
multi-agency team**
- **Government Challenge #3 -
Pricing in a firm-fixed price**

- **ERP will solve all your problems**
- **Integrated systems will produce better managers**
- **Common data results in better information**
- **On-line access means real-time decisions**

- **Don't let them do it**
- **If they do it make them identify measurable benefits**
- **If they don't produce benefits why did they do it?**



ERP Implementation

BAE Springfield NJ

Presented By:

Jack Sheehan
DCMDE

September 13, 2000

- **Teaming**
- **Role of the Management Council**
- **Lessons Learned**
- **Communications**
- **Role of ERP Focal Point**
- **Change Management**
- **Access to Data**

- **In our implementation, teaming with the supplier did not begin early enough in the process.**

Initial CMO participation was by the DACO with other functions added as needed

- **DCAA is an integral member of the government team.**

Importance of the DCAA auditor possessing in-depth knowledge of ERP cannot be overemphasized

- **Never too early to get involved**
- **ERP implementations may facilitate numerous accounting and disclosure statement changes**

DCAA needed to shift resources temporarily to accommodate increased audits

- **A knowledgeable DCAA auditor is critical**
- **Cost performance data generated in the early stages of implementation may be late and inaccurate**
- **Keep customers informed of impacts on their programs**

- **CMO and DCAA personnel attend periodic status meetings with supplier personnel.**
- **Communications are internal and external**

All CMO functional areas may be impacted.

- **CMO personnel exchange information at weekly PST meetings to address areas of mutual concern.**

Need to advise customers of impact on their programs

- **CPR data has been late and/or inaccurate**

- **DACO was choice as our CMO focal point**

Knowledgeable in contracts as well as other functional areas

considerable accounting changes were facilitated by ERP implementation

- **Focal point is responsible for coordinating training and access for CMO personnel**

- **No longer business as usual**
Supplier AND Government personnel have been affected (DCMO and DCAA)
- **Team meetings convened to identify all reports currently being utilized by CMO personnel and understand the “mapping” into the new system**
- **Potential for key process changes**
Impact on risk handling plans is currently being evaluated

- **Hardware**

Supplier provided terminals for CMO office and DCAA use. All connectivity set up by supplier.

- **Training**

CMO identified personnel needing access

- **Supplier provided passwords**
- **Limited training to date due to delayed implementations**
- **To date, access is “read only” but pursuing CMO input capability in QA areas**



ERP Implementation

Northrop Grumman- Baltimore

Presented By:

***Jane R Thompson
Field Support Representative
Engineering
September 13, 2000***

- **Government involvement began in 1997 with DCAA IT and DCMA TAG.**
- **DCMA teaming has evolved as the implementation has progressed.**

DACO

Functional counterparts

Functional working groups

Local and Sector Management Councils

Role of the Management Council

- **Forum for issues across customer base**

Shipping addresses

Modifications to DD250s

- **Raise awareness at the Sector/Corporate levels**

- **Never too early to get involved**
- **Changes will affect all functional areas**

Changes in the supplier's systems may also require changes in DCMA's processes

Vocabulary

Reporting formats

- **Understand and be aware of the implementation strategy**

Timing issues regarding availability of data

Changes in the "System of Record"

- **Communication is necessary**

- **CMO and DCAA periodic status meetings with supplier personnel**
- **Round Table discussions at the functional level**
- **Company publications and DCMA newsletter**
- **Advise customers of impact on their programs through:**
 - Management Councils*
 - Program Status Reports*

- **Operates as a single source for the latest information and as a single POC for the supplier**
- **Coordinates issues involving training and access for CMO personnel**
- **Briefs CMO management and personnel on status**
- **Maintains status of action items**

- **Managed through the ERP Focal Point**
- **Addressed at the functional working group level**
- **Issues elevated through CMO management and the Management Council**

- **Hardware**

A limited number of leased terminals will be available within the CMO. All connectivity set up by supplier.

- **Training**

Available at 3 levels: overview, decision support (management), operational (hands-on)

CMO identified personnel needing access and informational requirements

***Direct input capability for QA personnel
In accordance with supplier defined profiles***



ERP Implementation

Lockheed Martin- Marietta

J. W. Caldwell
DCM Operations Manager
September 13, 2000

- **Joint Management Council**
- **Compliance IPT**
- **Functionals**

U.S. Government

Col. Sam Evans (Co-chair)	DCMC (LMAS)
John Ames	DCAA (Bethesda)
Rich Buhre	DCAA Director Eastern Region
Col. Deborah Gable	DCMC (LMTAS)
Mike Lowry	DCMC HQ
Paul Phillips	DCAA Eastern Region
William Ryan	DCMC (LMAS) Designated Sector ACO
Lt. Col. John Zellmer	DCMC (LMSW)

Supplier

Marty Phillips (Co-chair)	Vice President ERP
Robert Elrod	Exec VP (LMTAS)
Mike Joyce	VP Ops Aeronautics Sector
Paul Martin	Exec VP (LMSW)
John McCarthy	VP Finance Aeronautics Sector
Paul Schumacher	VP Operations (LMAS)
Sandra Walls	VP/Controller ERP

Accounting
Changes
Joint
Team



- * David Haines
- * William Ryan
- * Paul Phillips

* Special Joint Team to Facilitate Cost Accounting Changes

The mission of the ERP Management Council is to **represent all stakeholders** in the ERP implementation process while **adding value to the customer(s)** by determining how we can do it “better, cheaper and faster.” We will assist in the implementation of changes and improvements to our joint business affairs by **removing barriers** and **resolving issues**.

We will pursue extended process integration with the stakeholders and, through the use of systems, facilitate changes in our methods of operations. We will identify the common interests of all parties. We will be responsible for **identifying and communicating impact** and the **expected benefits** of ERP to all parties.

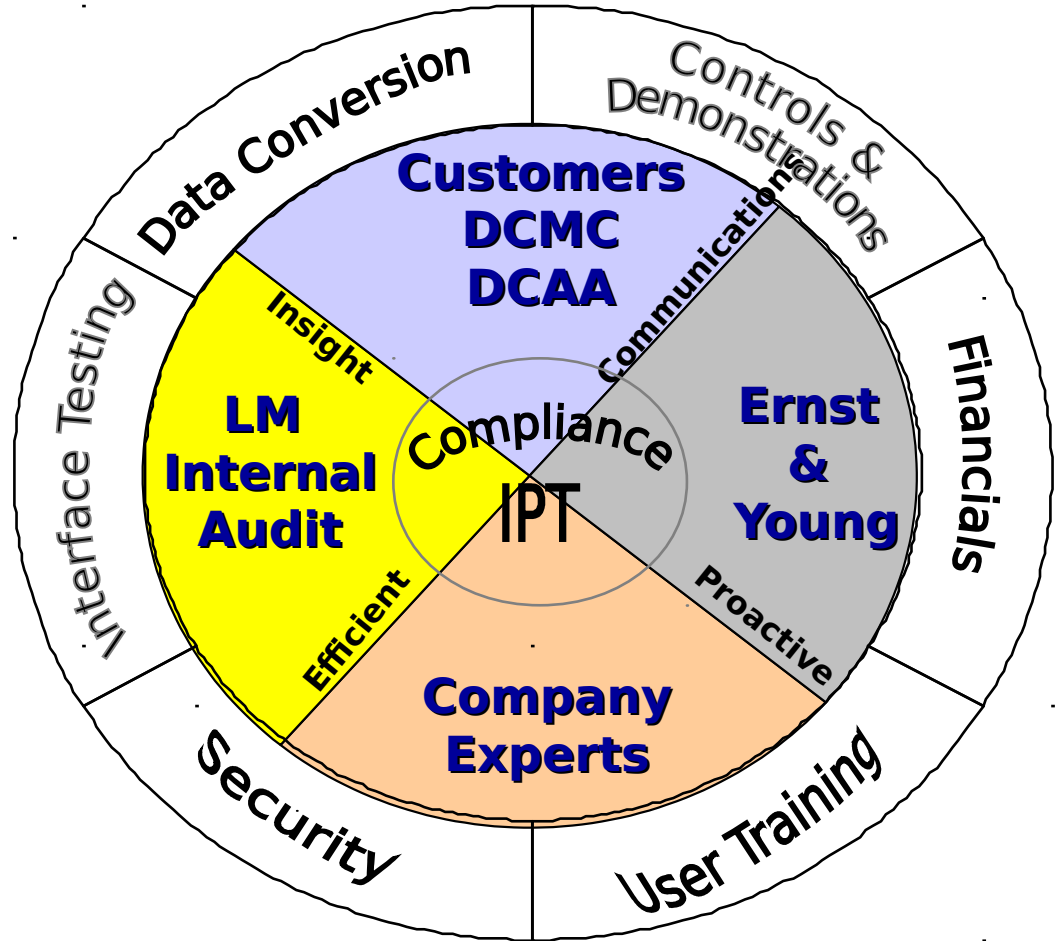
ERP Compliance A Team Approach

- Identified 58 key controls for Release I

Applicable control points were incorporated into test scripts

- Involved in 48 of 55 Release II workshops

Jointly determined which were critical Expertise identified and assigned



Involved/Engaged/Onboard

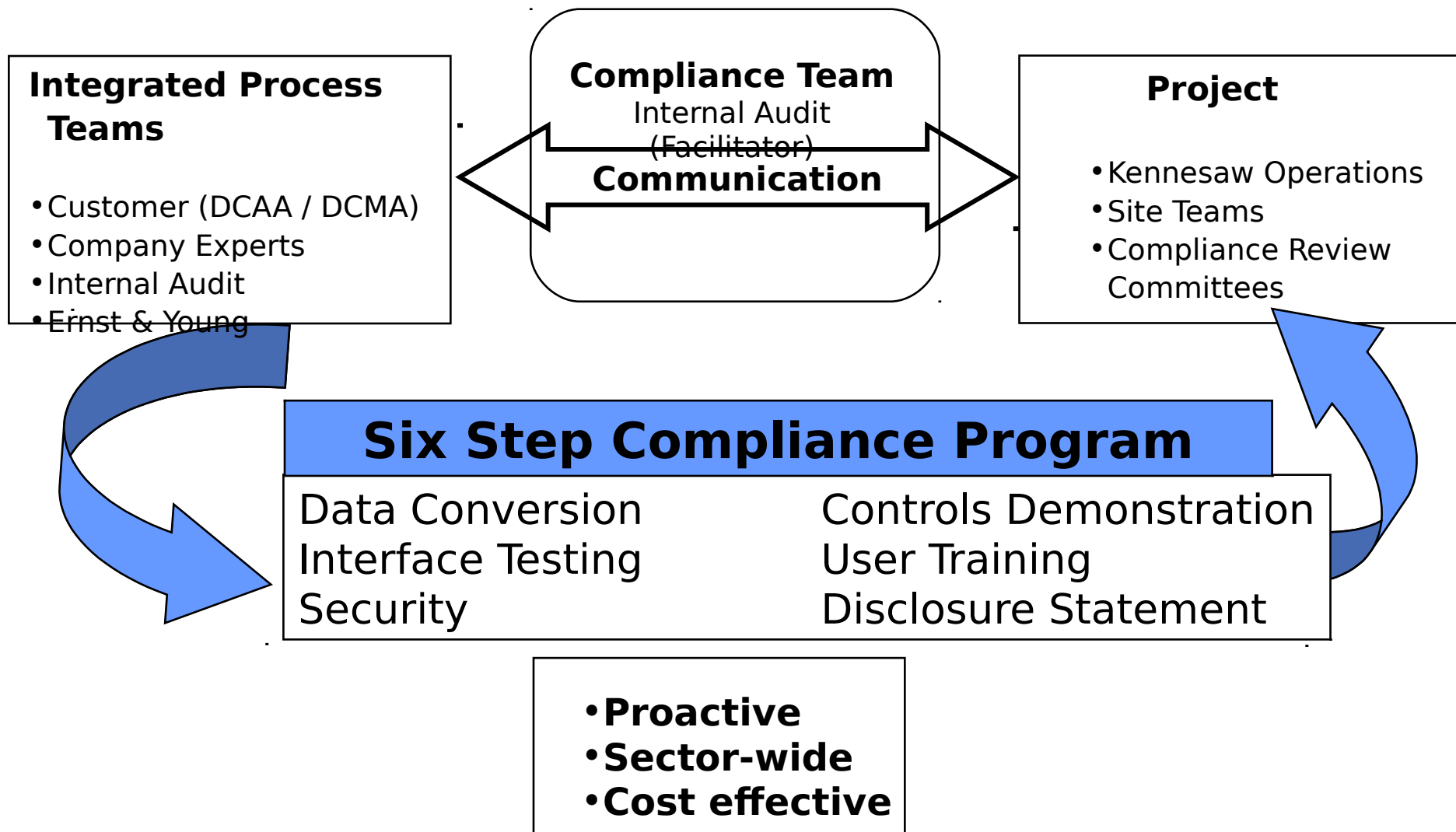
Compliance Team Approach

Objective: Provide assurance the system contains the key controls and meets necessary customer and user requirements for business prior to implementation

Approach:

- **Utilize Integrated Process Teams (IPTs) -- includes IA, DCAA, DCMA, external auditor and company experts**
 - **Joint Team identification of key controls/requirements**
 - **Joint Team performance of six-step compliance**
- Duplicate approach of Lockheed Martin Vought Systems**

Compliance = Customer Insight



Lessons Learned

- Early involvement is key. Dedication of a full time senior resource to the implementation team resulted in increased insight and allowed for the early engagement of appropriate functionals in the design of the processes.
- Consider an Advanced Agreement on the treatment of Costs. Give special consideration to how costs will be treated in the event of termination of all or part of the implementation.
- Engage appropriate functional specialist during the development portion of the system. Communication is very important. Have your key POC disseminate information to all affected offices. A monthly newsletter was very beneficial to both DCMA, DCAA and the supplier in keeping abreast of ERP status and issues.
- The Joint Management Council provided an excellent venue for the communication of issues and concerns between the

Communications Monthly Newsletter

Kennesaw Trivia



The General

In our first newsletter, I referred to the story of the General about the Locomotive stolen by the Union forces in Kennesaw. For those who would like more information on this fascinating story, refer to the following Web site: <http://nccgeorgia.com/history/raiders.html>

Schedule Status

Schedules have slipped slightly. Here is what we know as of now. Release 1 team (Human Resources) should be ready to load data by Late September. Go-Live date will likely be late October to allow for cost-of-living and adjustments to merit pay raises to be enacted first. Release 1 Team reports that they have tested their 92 "Transaction Scripts" with 90 of them being successful. They have also loaded 27,000 records with a less than 2% error rate. Slight slips in Release 2 will follow. These are in the vicinity of 3-4 months.

ERP POCs Info

Name	Position	Phone	FAX
Joe Caldwell	DCMC POC	(770) 793-3777	(770) 793-3777
Warren Stoker	LM Compliance	(770) 793-3869	(770) 793-3869
Gail Johnston	DCAA POC	(770) 494-9265	(770) 494-9265
Stewart Storm	LM Compliance	(770) 793-3173	(770) 793-3173

Compliance Summit

Compliance IPTs met in Kennesaw September 1-3 for a review of status to date. Some of the topics addressed were status of Release 1 testing, review of security and presentation by Release 2 Core Team members of their "Swimlanes" and Compliance Templates.

Realignment

One of the lessons learned from earlier problem encountered on the Release 1.1 effort was that they needed to improve the "handoffs" that were taking place between the process design teams, the data mapping teams and the coding teams. These are being realigned to bring them all under the Release Project Director in a revision to the organization chart.

Interfaces

Lockheed's expert on the Electronic D system was in this month to explain the system and how it worked to the ERP team. Although it has some limitations for cc 250s such as those with money being v appears that it would work well for bas 250s.

EVMS

Some of our folks recently back f training had inquired if Lockheed into Winsite, the new EVMS reporting sys ERP planning. Looks like the answer

Contract Closeout Initiative

Each site briefed their status on closeouts at the last Joint Ma Council. Sites are establishing me teams. They are tracking their per and will continue to report regular Joint Sector Management Council. The issues that had been impedier process were reviewed. Closeou overhead years was one topic for Worth offered a solution that involv over unsettled moneys into later allow for closure of contracts. This i be discussed with DACOs and CACO before the next meeting. Other issues that impacted closeout were slow response times from DFAS. DCAA indicated that they would elevate this item with DFAS. Sites generally indicated that they were putting additional emphasis and resources on this topic.

CALENDAR OF EVENTS

RELEASE 1.1

GOING LIVE OCTOBER 19, 1999
SUPPORT DUE TO DATA PROBLEMS
HUMAN RESOURCES MODULE

RELEASE 1.1 TESTING

SITE TESTING STARTS IN MARIETTA SEPTEMBER 7, 1999

RELEASE 2 WORKSHOPS CONTINUING

WORKSHOPS CONTINUE AT SITES

DCMC AND DCAA PARTICIPATION

Now well over half begun-Deliverables in work

RELEASE 2 PROJECTED DATES

RELEASE 2.1 PALMDALE JUNE 1, 2000

RELEASE 2.2 MARIETTA JANUARY 1, 2001

RELEASE 2.3 FT. WORTH JULY 1, 2001

SECTOR MANAGEMENT COUNCIL

TENTATIVELY OCTOBER 28, 1999

KENNESAW GA

Release 2 Workshops

We are now past the halfway point on Release 2 Workshops. Among other things, workshops have proven to be an interesting exercise in "group dynamics." The workshops generally bring together very experienced Subject Matter Experts (SMEs) in their respective field. As such, many have strong opinions on their respective systems and generate interesting discussions. Some of the DCMC folks report that although they may not have been able to contribute as much as they wished in some cases, the workshops have helped them to understand the process and struggles the company is faced with. Mr. Rich Buhre, South Eastern DCAA Director, participated in a workshop at Kennesaw this last month to see the "Workshop Experience" first hand.

Sector Management Council

Product Costing/Common Accounting Strategy Update

Sector Management Council met on Sept in Kennesaw. In addition to a general update, other topics addressed included closeout status, organization realignment, status, compliance assurance and an u product costing and a common a strategy. A solution to the outstanding product costing is still in the works. O problem areas has been the method handling the cost of items being i between areas such as spares and product.

As a part of the presentations on closeout, Ft. Worth briefed their metho rollover, which has been utilized to allow proceed with contract closeout. A meeting with the Divisional Adm Contracting Officers (DACOs) and Administrative Contracting Officer (CA be requested to present this approach as dialogue. An action item was also DCAA to elevate problems being encour DFAS, which were impacting the contrac initiative.

Significant emphasis is being made c Palmdale ready for release 2 "Go-Live occur June of 2000. The next joint Ma Council meeting is tentatively schedul October 1999 in Kennesaw.

Data

Updated data list with the addition of requirements were combined with pre mapped to workshop areas and passed l team late August. Our data list has gr over 200 items. However, in many appears that all three sites may have similar requirements with different na unofficial winner as the functional are largest data requirements was Property; has just completed a similar exercise.



DCMC ERP Update

September 1999

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- 4 Web Sites
- 4 Kennesaw Trivia
- 4 POCs

News from Kennesaw

ERP Moving Out

Joe Caldwell
DCMC ERP Coordinator

Time is flying. Seems like I just did the last newsletter. Release 1.1, the basic Human Resources portion, is doing better. Testing at Kennesaw is showing great improvement on the data conversions and on the actual 92 functions. Testing at the sites is scheduled to begin next week at Marietta. Release 2 is continuing with workshops and the deliverables from the workshops. Integration walk-thrus are about to begin to ensure that the logic and interfaces between the "Swimlanes" are there and correct. Compliance IPT lead Warren Stoker conducted a compliance summit meeting this month, reviewing with the various compliance offices, CAV, DCAA, DCMC and Ernst & Young consultants, where we stood on various compliance issues. This review addressed Release 1.1 testing, security, and release 2 workshops and controls.

ERP Update 4

ERP Update 2

ERP Update 3

ERP Update 1

- **Member of Compliance IPT**
- **Engage Functionals in Appropriate Issues**
- **Identify Areas for Engagement**
- **Seek Joint Process Improvements**
- **Communicate to All Status of Implementation**
- **Provide Educational Information to CMO's**
- **Coordinate With DCAA/Internal Audit**
- **Assign Process Design Workshop Members**

Workshop Metrics

58 Workshops

910 Site Participants

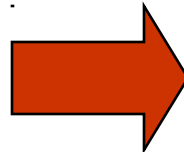
(LMAS, LMSW, LMTAS,
LMSS , DCAA, DCMA)

Identifying Common Process
Identifying Common Job Roles

116 Core Team Members

Preliminary Configuration
Initial Scripting

11 IBM BT Facilitators



Process Diagrams

(90)

Configuration Scripts (3946)

Transaction Scripts (2691)

Functional Requirements (545)

Data Mapping (100,000+ Elements)

Job Roles

Organizational Impacts

Compliance & Control Points

Report

**Requirements
Sector**

**Procedures
Issues & Touch
Points**

**DCMA & DCAA were Active Participants in
Workshops**

- **Supplier**

 - Site Teams*

 - Change Briefings*

- **Customer**

 - Briefings to Major Buying Office and Pentagon*

 - Buying Office Offered Participation*

- **DCMA**

 - Briefings by Compliance Team*

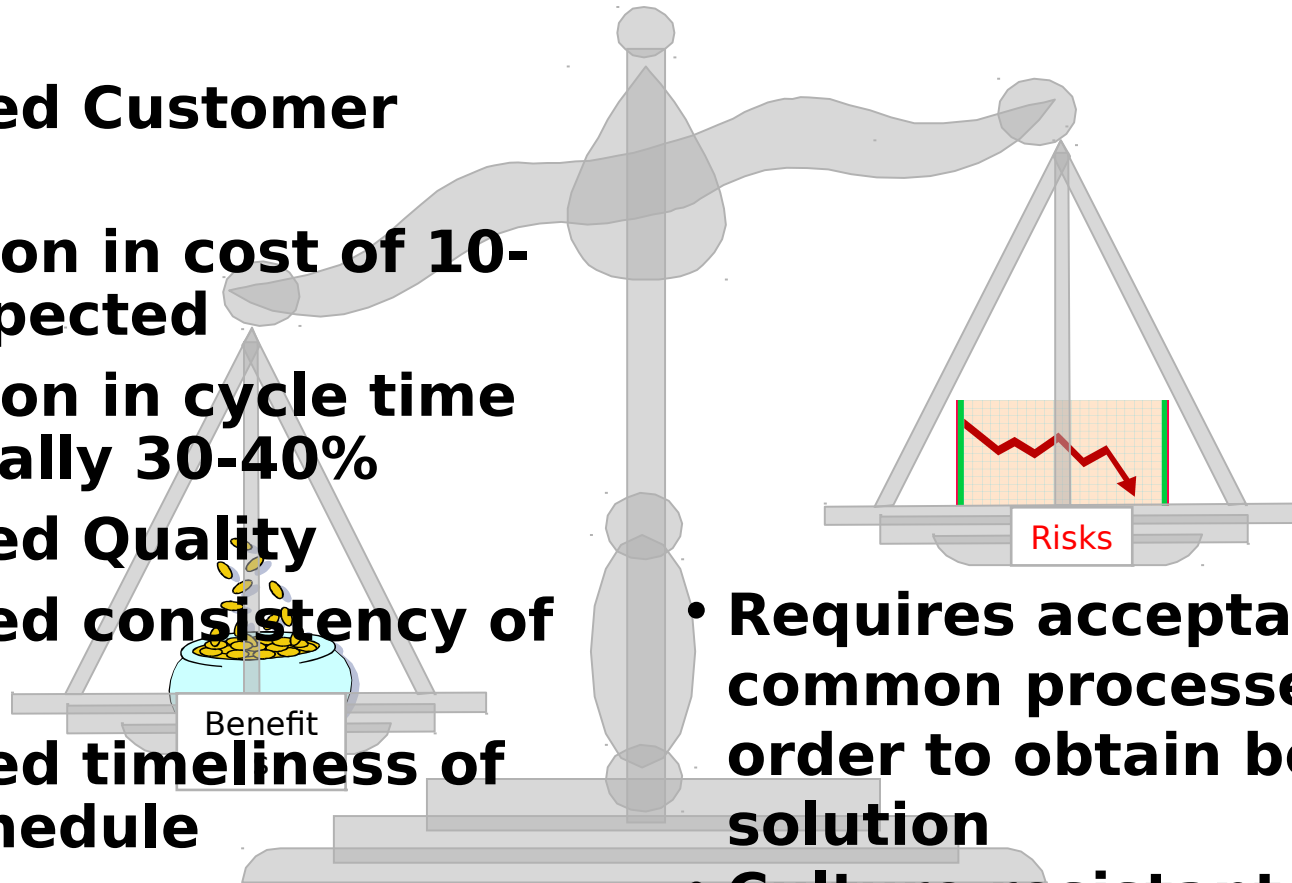
 - Briefings by Site Implementation Guide to All Hands*

 - Involvement in Workshops*

 - Newsletters*

ERP - Pain vs Gain

- Improved Customer Service
- Reduction in cost of 10-15% expected
- Reduction in cycle time historically 30-40%
- Improved Quality
- Improved consistency of data
- Improved timeliness of cost/schedule
- Enable complete process re-engineering



- Requires acceptance of common processes in order to obtain best solution
- Culture resistant to change
- Highly complex nature of ERP
- Some Aerospace

- ***What Data do You Get Today?***
 - ***Make a List-ID Source in ERP***
- ***Hardware***
 - ***Firewalls vs Stand Alones***
- ***Infrastructure***
 - ***Who needs read only***
 - ***Who needs to be active***
 - ***Security Profiles***
- ***Legal Issues-Third Party Agreements***

- ERP Implementation is VERY DIFFICULT
- Engage Early With Best Specialist
- Identify where your systems interface
How Can ERP Streamline your part of that process?
How Can Your Insight be Enhanced
- Get Involved in the Development Phase
- Team With Supplier/DCAA
- Communicate, Communicate, Communicate